(Translation)

Ref. no. STPI.FAD.025/2026

14th August 2026

Subject: Management Discussion and Analysis for the Second Quarter of 2026

To: President of the Stock Exchange of Thailand

With reference to the submission of STP&I Public Company Limited for the second quarter Financial Statements ended 30 June 2026, the Company would like to provide further explanation for the changes in financial performance as follows:

1. Revenue:

Revenue by Business Segment (Unit: Million Baht)	Q2'2026	Q2'2025	Change YoY	
			Amount	%
Revenues from fabrication work	735	476	259	54%
Sales and service income	77	319	(242)	-76%
Sales and service income related to electricity	112	97	15	16%
Revenue from rental of real estates	35	35	0	1%
Total operating revenue	**959**	**927**	**32**	**4%**

The Company's operating revenue for the second quarter of 2026 totaled Baht 959 million, an increase of Baht 32 million or 4% compared with Baht 927 million in the second quarter of 2025. During the current quarter, the Company finalized the contract value and completed the delivery of module works to its major customer, resulting in the increased revenue from fabrication work by Baht 259 million or 54%. However, revenue from sales and services decreased by Baht 242 million or 76%, due to the completion of the offshore platform decommissioning service project since the fourth quarter of 2025. Moreover, newly awarded projects secured in early 2026 are expected to commence operations in the third quarter of this year. For other businesses, namely electricity sales and related services and property rental, revenues were comparable with the previous year. As a result, overall operating revenue was close to that of the same period last year.

STP&I PUBLIC COMPANY LIMITED
32/24 3rd Floor, STECON TOWER, Sukhumvit 21 (Asok) Road, Khlong Toei Nuea Sub-district, Vadhana District, Bangkok 10110 Thailand
Tel: +66 2 260 1181 Fax: +66 2 260 1182
http://www.stpi.co.th

2. Expenses:

Cost by Business Segment (Unit: Million Baht)	Q2'2026	Q2'2025	Change YoY	
			Amount	%
Cost of fabrication work	522	384	138	36%
Cost of sales and service	53	135	(82)	-61%
Cost of sales and services related to electricity	73	72	0	1%
Cost of rental of real estates	17	15	2	15%
Total operating costs	**665**	**606**	**59**	**10%**
Factory overhead expenses not allocated to cost of fabrication work	62	42	20	48%

In the second quarter of 2026, the Company recorded costs directly related to operations totaling Baht 665 million, with a gross profit of approximately Baht 294 million or 31% of revenue, which was lower than the gross profit margin of 35% in the same period last year. Although the Company have reached an agreement with its customer on acceleration costs, which improved the gross profit margin of fabrication work to 29% from 19% in the same quarter last year, the proportion of revenue from sales and services work for which the Company can control costs efficiently and which therefore carries a relatively good gross profit margin declined, and this was the main reason for the decrease in the overall gross profit margin.

Furthermore, the lower production utilization resulted in factory overhead expenses not allocated to cost of fabrication work of Baht 62 million, an increase of approximately 48% compared to the same quarter of the previous year.

3. Other Income and Expenses:

Other income (expenses) (Unit: THB million)	Q2’2026	Q2’2025	YoY amount	YoY %
Gain (loss) on exchange	21	(87)	108	N/A
Gain on disposal of assets	2	58	(56)	-97%
Other income	4	4	0	6%
Administrative expenses	(80)	(99)	19	-19%

Other income (expenses) (Unit: THB million)	Q2'2026	Q2'2025	YoY amount	YoY %
Loss on lease termination	(59)	0	(59)	N/A
Reversal (impairment loss) of financial assets	(4)	8	(12)	-156%
Other expenses	-	(5)	5	-100%
Total other income (expenses)	**(116)**	**(121)**	**5**	**4%**

Total other income and expenses in the reported quarter were comparable with the prior year. The significant items are summarized as follows:

In the second quarter of this year, the Company recognized a foreign exchange gain of Baht 21 million, an improvement of Baht 108 million compared with the second quarter of last year, when a loss of Baht 87 million was recognized. This was mainly due to the revaluation of US dollar-denominated assets at the exchange rate as at the end of the period.

In the second quarter of this year, the gain on disposal of assets was Baht 2 million, a decrease of Baht 56 million compared with the gain of Baht 58 million in the second quarter of last year.

Administrative expenses for the current quarter were Baht 80 million, a decrease of Baht 19 million or approximately 19% compared with the same period last year. Although repair and maintenance expenses to prepare for the commercial operation of the MSW power plant increased, legal advisory fees decreased as the Company was still awaiting the counterparty's answers and submissions to the arbitral tribunal. However, legal advisory fees are expected to increase in the second half of the year.

During the current period, a subsidiary terminated a long-term land lease agreement with a remaining lease term of 26 years. The termination resulted in the subsidiary receiving a refund of Baht 34 million and recognizing a loss on lease termination of Baht 59.4 million, a one-time expense incurred in order to reduce the Group's long-term lease obligations.

As a result of the above, the Company recorded an operating profit of Baht 117 million for the current quarter, a decrease of Baht 42 million or 26% compared with the profit of Baht 159 million in the second quarter of 2025.

In addition, income tax expense increased by Baht 38 million, from Baht 8 million in the second quarter of 2025 to Baht 46 million in the current quarter, leading to the decrease in profit for the period.

4. Share of Profit from Joint Ventures and Associates:

Share of profit (loss) (Unit: THB million)	Q2'2026	Q2'2025	YoY amount	YoY %
Share of profit from investments in joint venture - SP	3	6	(3)	-46%
Share of loss from investments in joint venture - IMH	(65)	(20)	(45)	N/A
Share of profit from investments in associate - KTBSTMR	4	3	1	51%
Total share of profit (loss) from joint ventures and associate	**(57)**	**(11)**	**(46)**	

In the second quarter of 2026, the Company recognized a share of loss from investments in joint ventures and associate totaling Baht 57 million, compared with a share of loss of Baht 11 million in the prior year. The main cause was the Monsoon project, a 600-megawatt wind power plant in Laos, which commenced electricity generation and sales in the third quarter of 2025. The second quarter of 2026 was a period of relatively low wind, and operating revenue was insufficient to cover operating expenses and finance costs, resulting in the recognition of a share of loss of Baht 65 million, compared with a share of loss of Baht 20 million in the same period last year.

5. Profitability:

As a result of the above factors, the Company reported net loss attributable to shareholders of Baht 22 million for the second quarter of 2026, compared with a net profit of Baht 83 million in the second quarter of 2025.

Please kindly be informed.

Yours sincerely,

(Ms. Supattra Yangtrong)

Finance & Accounting Department Manager

STP&I PUBLIC COMPANY LIMITED
32/24 3rd Floor, STECON TOWER, Sukhumvit 21 (Asok) Road, Khlong Toei Nuea Sub-district, Vadhana District, Bangkok 10110 Thailand
Tel: +66 2 260 1181 Fax: +66 2 260 1182
http://www.stpi.co.th